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Central Intelligence Agency

101-05194X/86



Washington, D.C. 20505

13 November 1986

MEMORANDUM FOR: James F. Lemon
Executive Secretary
Office of the Secretary of Defense

SUBJECT: Review of the Draft FY 1988 Annual Defense Report

We have reviewed the "For Comment" draft of the Secretary of
Defense's FY 1988 Annual Report to the Congress. Our comments are
attached. The CIA point of contact for this report is

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Director, DCI/DDCI
Executive Staff

Attachment:
As stated

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Comments on Secretary of Defense Posture Statement for FY 1988

Part I Chapter A

Reference: Page 1-A-10, para 1, line 5 (CIA)

Comment: Insert "15"

Rationale: Latest estimate of percent of Soviet defense budget devoted to manpower costs.

Reference: Page 1-A-10, Chart 1.A.2 (CIA)

Comment: Information to update this chart will be available in mid-December. We will update it at that time.

Reference: Page 1-A-11, para 1, lines 5-8 (CIA)

Comment: Change \$700 billion to \$600 billion.

Rationale: We estimate the Soviets spend 15 percent of their GNP on defense. According to our figures the US GNP as of May 1986 was \$3,988,500,000. Fifteen percent of that would be slightly less than \$600.

Reference: Page 1-A-12, Charts 1.A.3 and 4 (CIA)

Comment: Information to update these charts will be available in mid-December. We will update them at that time.

Reference: Page 1-A-13, para 1, lines 2-3 (CIA)

Comment: Change sentence to read: "The fact that the dollar value of Soviet military investment during the 1970s would have been 70 percent greater than ours shapes the reality we confront today."

Rationale: CIA estimates of Soviet costs in dollars measure what it would cost the US to fund such a force. They do not measure actual Soviet spending or investment. We estimate Soviet investment would have been 70 percent greater than US if measured in equivalent dollars.

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Reference: Page 1-A-13, para 2, lines 12-14 (CIA)

Comment: Delete sentence

Rationale: It is not clear what this sentence means or what point is being made.

Reference: Page 1-A-14, Chart 1.A.5 (CIA)

Comment: Information to update this chart will be available in mid-December. We will update it at that time.

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Part I Chapter B

Reference: Page 1-B-6, para 3, line 1 (CIA)

Comment: Change "Bear-B" to "Bear-H"

Rationale: Accuracy

Reference: Page 1-B-7, 8, Charts 1.B.1 and 2 (CIA)

Comment: Information to update these charts will be available in mid-December. We will update them at that time.

Reference: Page 1-B-24, para 2, line 2 (CIA)

Comment: Delete - ...opposition SSBN forces...

Insert - ...forces capable of threatening Soviet territory,
especially US aircraft carriers...

Rationale: To conform with Intelligence Community estimates.

Reference: Page 1-B-24, para 3, line 7 (CIA)

Comment: Insert - ...older "air force" Bear...

Rationale: The aircraft being referred to belong to the Soviet Air Force, not the Soviet Navy.

Reference: Page 1-B-26, para 1, lines 6-7 (CIA)

Comment: Insert - ...include the "southern" Norwegian Sea, and northwest Pacific."

Delete - ...Sea of Okhotsk and Sea of Japan.

Rationale: "Sea-denial" areas are as now stated. Others are "sea-control" areas.

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Part I Chapter D

Reference: Page 1-D-14, Chart 1.D.1 (CIA)

Comment: Updated chart will be provided in mid-December.

Reference: Page 1-D-41, para 1, lines 6-7

Comment: Change "over \$100 billion to "close to the equivalent of \$120 billion.

Rationale: The total cost to construct and equip the Soviet strategic air-defense networks from 1965 to 1985 would have been the equivalent of \$120 billion.

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Part III Chapter G

Reference: Page III-G3, Table III.G.1 (CIA)

Comment: Table will be updated by mid-December.

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Part III Chapter I

Reference: Page III-1-43, para 1

(CIA)

Comment: Suggest the paragraph be redrafted to reflect the costs this program involves.

Rationale We believe the first and third sentences of this paragraph describe a very costly and restrictive program in too optimistic terms.

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